

IN THE CLAIMS

Please amend the claims as follows.

1. (Currently Amended) An addressable advertising system comprising:

receiver circuitry capable of receiving an incoming television signal from an external source, generating therefrom a original baseband video signal, and transmitting said original baseband video signal to a display associated with said addressable advertising system;

a local storage device coupled to said receiver circuitry capable of storing a plurality of replacement video advertisements; and

an advertisement controller coupled to said receiver circuitry and said local storage device capable of detecting a first swap control signal and associated channel identifier transmitted in said incoming television signal, wherein said advertisement controller, in response to said detection and said channel identifier, causes said receiver circuitry to receive from said local storage device a first selected replacement video advertisement and wherein said receiver circuitry generates therefrom a replacement baseband video signal and transmits said replacement baseband video signal to said display.

2. (Original) The addressable advertising system as set forth in Claim 1 wherein said local storage device comprises at least one of a magnetic fixed disk drive, a digital versatile disk (DVD) drive, and a compact disk (CD) drive.

3. (Original) The addressable advertising system as set forth in Claim 1 wherein said local storage device is coupled to said addressable advertising system via a network connection.

4. (Original) The addressable advertising system as set forth in Claim 1 further comprising a replacement advertisement download controller capable of receiving incoming replacement video advertisements from said external source and storing said incoming replacement video advertisements in said local storage device.

5. (Original) The addressable advertising system as set forth in Claim 4 wherein said replacement advertisement download controller comprises an MPEG encoder circuit capable of receiving said incoming television signal and converting a first incoming replacement video advertisement transmitted in a first selected channel to MPEG data capable of being stored in said local storage device.

6. (Original) The addressable advertising system as set forth in Claim 4 wherein said replacement advertisement download controller comprises a modem capable of receiving from a telephone network a first incoming replacement video advertisement and storing said first incoming replacement video advertisement as MPEG data in said local storage device.

7. (Original) The addressable advertising system as set forth in Claim 4 wherein said replacement advertisement download controller receives said incoming replacement video advertisements at a predetermined time according to modifiable download time values stored in a memory associated with said advertisement controller.

8. (Original) The addressable advertising system as set forth in Claim 1 wherein said advertisement controller is further capable of detecting a second swap control signal transmitted in said incoming television signal, wherein said advertisement controller, in response to said detection of said second swap signal, causes said receiver circuitry to transmit said original baseband video signal to said display.

9. (Original) The addressable advertising system as set forth in Claim 1 wherein said advertisement controller is further capable of detecting a replacement advertisement selection signal transmitted in said incoming television signal, wherein said replacement advertisement selection signal comprises a data value identifying said first selected replacement video advertisement, and wherein said advertisement controller, in response to said detection of said replacement advertisement selection signal, causes said local storage device to transmit said first selected replacement video advertisement to said receiver circuitry.

10. (Original) The addressable advertising system as set forth in Claim 1 wherein said receiver circuitry comprises a vertical blanking interval (VBI) decoder capable of detecting said first swap control signal transmitted during a vertical blanking interval in said incoming television signal.

11. (Original) The addressable advertising system as set forth in Claim 10 wherein said receiver circuitry further comprises a down-converter coupled to said vertical blanking interval decoder and capable of down-converting said incoming television signal to said original baseband video signal.

12. (Original) The addressable advertising system as set forth in Claim 11 wherein said receiver circuitry further comprises a multiplexer having a first input capable of receiving said original baseband video signal and a second input capable of receiving said replacement baseband video signal, wherein said multiplexer is controlled by said advertisement controller.

13. (Original) The addressable advertising system as set forth in Claim 1 wherein said receiver circuitry comprises a video processor having a first input capable of receiving said incoming television signal and generating therefrom said original baseband video signal and a second input capable of receiving said first selected replacement video advertisement and generating therefrom said replacement baseband video signal.

14. (Currently Amended) For use in an addressable advertising system, a method of displaying user-specific commercial advertisements on a display associated with the addressable advertising system, the method comprising the steps of:

receiving an incoming television signal from an external source and generating therefrom an original baseband video signal;

transmitting the original baseband video signal to the display;

detecting a first swap control signal and associated channel identifier transmitted in the incoming television signal;

in response to the detection of the first swap control signal and channel identifier, receiving from a local storage device a first selected replacement video advertisement, generating therefrom a replacement baseband video signal, and transmitting the replacement baseband video signal to the display.

15. (Original) The method as set forth in Claim 14 wherein the local storage device comprises at least one of a magnetic fixed disk drive, a digital versatile disk (DVD) drive, and a compact disk (CD) drive.

16. (Original) The method as set forth in Claim 14 wherein the local storage device is coupled to the addressable advertising system via a network connection.

17. (Original) The method as set forth in Claim 14 further comprising the steps of:
receiving incoming replacement video advertisements from the external source; and
storing the incoming replacement video advertisements in the local storage device.

18. (Original) The method as set forth in Claim 17 wherein the step of receiving
incoming replacement video advertisements comprises the sub-step of converting a first
incoming replacement video advertisement transmitted in a first selected channel of the incoming
television signal to MPEG data and the step of storing the incoming replacement video
advertisements comprises the sub-step of storing the MPEG data in the local storage device.

19. (Original) The method as set forth in Claim 17 wherein the step of receiving
incoming replacement video advertisements comprises the sub-steps of receiving from a
telephone network a first incoming replacement video advertisement and the step of storing the
incoming replacement video advertisements comprises the sub-step of storing the first incoming
replacement video advertisement as MPEG data in the local storage device.

20. (Original) The method as set forth in Claim 14 comprising the further steps of detecting a second swap control signal transmitted in the incoming television signal and, in response to the detection of the second swap signal, transmitting the original baseband video signal to the display.

21. (Original) The method as set forth in Claim 14 comprising the further steps of detecting a replacement advertisement selection signal transmitted in the incoming television signal, wherein the replacement advertisement selection signal comprises a data value identifying the first selected replacement video advertisement, and, in response to the detection of the replacement advertisement selection signal, transmitting the first selected replacement video advertisement from the local storage device to the receiver circuitry.

22. (Original) The method as set forth in Claim 14 wherein the step of detecting the first swap control signal comprises the sub-step of detecting the first swap control signal during a vertical blanking interval in the incoming television signal.

23-29. (Canceled).